

RESOLUTION NO. 68-95

A RESOLUTION CLARIFYING A RESOLUTION OF OFFICIAL INTENT OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF NAVAJO ADOPTED MARCH 13, 1995 WITH RESPECT TO THE PROPOSED ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS TO FINANCE A PORTION OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF MANUFACTURING FACILITIES BY STONE CONTAINER CORPORATION AND THE EXECUTION OF A MEMORANDUM OF AGREEMENT BY AND BETWEEN THE AUTHORITY AND THE COMPANY AND RELATED MATTERS

WHEREAS, The Industrial Development Authority of the County of Navajo, Arizona (the "Authority") is designated a political subdivision of the State of Arizona and is authorized and empowered under Title 35, Chapter 5 of the Arizona Revised Statutes, as amended (the "Act"), to issue its revenue bonds to finance the cost of any "project" as defined in the Act, including, without limiting the generality of the foregoing, the acquisition, construction and equipping of manufacturing facilities; and

WHEREAS, Stone Container Corporation, a Delaware corporation (the "Company") advised the Authority prior to March 13, 1995 that (i) it was considering the acquisition, constructing and equipping of manufacturing facilities for the production of containerboard grades and wished to finance, with revenue bonds of the Authority, that portion of such manufacturing facilities that are used for solid waste disposal, including, without limitation the recovery of old corrugated containers and other waste paper (the Project), which Project is to be located on Spur 77, approximately 17 miles west of Snowflake, Arizona (ii) the Project will constitute manufacturing facilities within the meaning of Act; (iii) the Project will constitute "solid waste disposal facilities,, within meaning of Section 142 (a) (6) of the Internal Revenue Code of 1986, as amended, and (iv) the costs of the Project and expenses incidental thereto is currently estimated not to exceed \$75,000,000; and

WHEREAS, on March 13, 1995, the Authority resolved to issue its revenue bonds to finance such facilities, subject to the provisions of a Memorandum of Agreement approved and executed by the Authority on that date; and

WHEREAS, the Company has requested the Authority to adopt this resolution in order to provide a more complete description of the nature of the Project, which is the subject of the proposed revenue bond financing and was the subject of the March 13, 1995 Memorandum of Agreement;

NOW, THEREFORE, BE IT RESOLVED THAT THE NAVAJO COUNTY BOARD OF SUPERVISORS CONCUR WITH THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF NAVAJO, AS FOLLOWS:

1. The Authority finds and determines that the issuance of its revenue bonds under the Act to finance the acquisition, construction and equipping of the Project will serve the purposes provided in the Act and that the Project will constitute both manufacturing facilities and solid waste disposal facilities within the meaning of the Act.

2. This resolution is a clarification of the "official intent" resolution to issue its revenue bonds (within the meaning of Section 1.150-2 of the Income Tax Regulations prescribed by the United States Treasury Department) by providing a more complete description of the nature of the Project to be financed by the issuance of those revenue bonds, as contemplated in the Resolution of this Authority adopted March 13, 1995 and the Memorandum of Agreement identified therein, and the description of the Project in said Memorandum of Agreement is hereby amended to conform to the more complete description of the Project contained herein.

Adopted and approved this 13th day of November, 1995.

THE NAVAJO COUNTY BOARD SUPERVISORS
OF THE COUNTY OF NAVAJO, ARIZONA

By: [Signature]

Title: Chairman

Attest:

By: [Signature]

Title: Clerk of Board of Supervisors